

RESOLUTION 16-70

**A RESOLUTION TO APPROVE TO CALL THE MAINTENANCE BONDS FOR
SPRING HILL PLACE SECTIONS 7 AND 9**

WHEREAS, a maintenance bond Letter of Credit is currently in place for said development and sections in the amount of \$18,022.00 for Section 7 and \$31,250.00 for Section 9; and

WHEREAS, the sections have been 80% built out and the developer has not put down the final asphalt topping; and

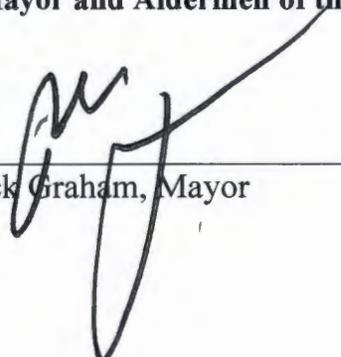
WHEREAS, the residents have asked the City of Spring Hill for assistance in resolving this through their attorney; and

WHEREAS, the City of Spring Hill has received notification from the issuing bank that the letter of credit will not be renewed past the current expiry date of August 17, 2016; and

WHEREAS, the Spring Hill Planning Commission has recommended on June 13, 2016 that the Maintenance Bonds be called prior to the expiry date to help with the City's cost of final paving.

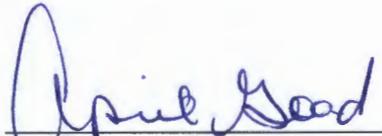
NOW, THEREFORE, BE IT RESOLVED, that the City of Spring Hill, Board of Mayor and Aldermen hereby approve to call the Maintenance Bonds for Spring Hill Place Sections 7 and 9.

Passed and adopted by the Board of Mayor and Aldermen of the City of Spring Hill, Tennessee on the 20th day of June, 2016.



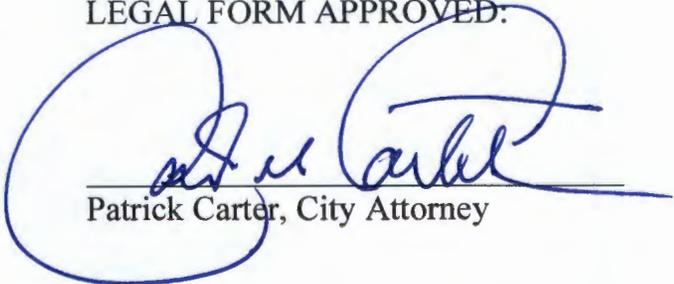
Rick Graham, Mayor

ATTEST:



April Goad, City Recorder

LEGAL FORM APPROVED:



Patrick Carter, City Attorney

SUBJECT: Discussion to call Spring Hill Place Sections 7 and 9 bonds

DATE: June 1, 2016

ATTENTION: Board of Mayor and Aldermen

STAFF: Thomas S. Wolf, City Engineer

TSW



STAFF MEMORANDUM

The purpose of this memo is to provide information regarding a request from attorney, Huntly Gordon, who has been retained by the residents of Spring Hill Place, to call the maintenance bonds for Spring Hill Place Sections 7 and 9 to lay final topping.

Background:

The City was notified the first of May by Fifth Third Bank that the letters of credits for Spring Hill Place Sections 7 and 9 would not be renewed past the current expiry date of August 17, 2016. An email was sent to Taylor Spadafora with Spring Hill Land Partners, L.P. (the developer on file) and asked him to renew the bonds as the City was not in agreement to release the bonds. Sections 6, 7 and 9 are not final topped; however, each section is over 80% built out.

Mr. Gordon has asked the City on behalf of the residents to call the bonds to pave these sections. This recommendation is on the June Planning Commission agenda to approve. Mr. Spadafora was contacted by voice mail on May 13th to advise him of this and encouraged to attend. The City received a letter from him on Monday afternoon, May 16th (see attached). In his letter, he states his obligation to Spring Hill Place ended on May 25, 2015 and responsibility was transferred to the Lutzak Trust. However, the bonds are set as auto-renewals so the bank renewed the letters of credit under Spring Hill Land Partners, L.P.. Our files indicate this as well.

Under the City's current paving contract, the cost to pave all three sections is \$129,500 (Section 6 - \$49,000; Section 7 - \$43,750; Section 9 - \$36,750). The letter of credit for Section 6 has expired. The letter of credit for Section 7 is \$18,022. The letter of credit for Section 9 is \$31,250. Mr. Spadafora also states in his letter that the Lutzak Trust received 90% of all lot sales proceeds and should have \$60,000 in escrow specifically for paving. Patrick Carter is working with the attorney for Lutzak Trust to determine if this is still being held.

Missy Stahl

From: Missy Stahl
Sent: Friday, May 06, 2016 9:45 AM
To: 'reaco@netscape.com'
Cc: Tom Wolf; Chris Saxe
Subject: FW: Spring Hill Place - Sect 7 and 9

Good Morning,

We have received two notices from Fifth Third Bank regarding the letter of credits you have as bond documents for Spring Hill Place Sections 7 and 9. The notices state the LOCs will not be renewed beyond the current expiry date of August 17, 2016. However our assistant superintendent of Public Works has identified several issues that will need to be completed before we can release the bonds (see below).

Please contact your bank to ask for the LOCs to be renewed and mailed to my attention at the address below.

Thank you,
Missy Stahl

Missy Stahl, CMFO
Project Management
P.O. Box 789
Spring Hill, TN 37174
931.486.2252 ext 202
931.486.0516 (fax)
www.springhilltn.org

From: Chris Saxe
Sent: Thursday, May 05, 2016 9:40 AM
To: Missy Stahl <mstahl@springhilltn.org>
Cc: Tom Wolf <twolf@springhilltn.org>
Subject: RE: Spring Hill Place - Sect 7 and 9

Good Morning,

Here are the issues that I observed at the above listed subdivision.

- Listed sections have not been topped and there are areas of failing binder course that will need to be addressed.
- Signage is not to required standards.
- Damaged curb at various locations.
- Incomplete sidewalk installation at various locations.

Should you have any questions or concerns, please do not hesitate to contact me.

Sincerely,

Christian Saxe

Assistant Superintendent of Public Works
The City of Spring Hill, TN
931/486-2252 Ext. 484

Missy Stahl

From: reaco@netscape.com
Sent: Monday, May 23, 2016 1:25 PM
To: Missy Stahl
Cc: Tom Wolf; Chris Saxe
Subject: Letter of Credit Status
Attachments: locstatus.docx

Please see the attached.

Taylor K. Spadafora

Netscape. Just the Net You Need.

May 23, 2016

Spring Hill Place Land Partners L.P , or REAC, LLC its general partner, Phoenix American Land Developers (Substitute Developer) for Spring Hill Place Land Partners,, or Condor Investment, LLC its general partner have and did not apply for, became a signatory to, act as a guaranty on, or authorize the issuance of any letter of credit, in their respective or joint names, to the City of Spring Hill Tennessee with an effective renewal or new commencement date starting subsequent to May 25, 2015.

In accordance with the Agreement between Spring Hill Place Land Partner, L.P. and the Lutzak Trust after the date of May 25, 2015 Spring Hill Place Land Partners, L.P. ceased to have any rights or obligations to act as "Developer" for Spring Hill Place development, which provision of the Agreement was concurred with through the judicial decree issued by the Chancery Court of Williamson County, Tennessee, such rights and obligations presumably became extinct or were transferred and assumed by the Trust.

In any case, I am certain that I made no application for or signed documents extending or renewing any letter(s) of credit for the benefit of the City of Spring Hill expiring in August of 2015. Any such letter(s) of credit so issued would have been without my concurrence or knowledge or, in fact within the authority of the respective entities after May 25, 2015.

Further, sine 2010 Spring Hill Place Land Partners, L.P. or any related entities have never been the guarantor on any letters of credit to the City of Spring Hill, Tennessee. Since that date, the Agreement between Spring Hill Place Land Partner, L.P. and the Lutzak Trust provided that Spring Hill Place Land Partners, L.P. would apply, to a bank chosen by the Trust, for any required letter(s) of credit and the Trust was obligated to act as guarantor, which in fact is documented by the recorded details of the letters of credit which expired in August of 2010, 2011, 2012, 2013, 2014 and 2015.

I cannot speak to the facts of the existence or circumstances concerning any current letter(s) of credit. I have no knowledge of nor was I involved, nor did I have the authority to be involved in the origination of any extension, renewal or replacement of those letters of credit which expired in August of 2015.

Three points in summary 1) the Guarantor on the letters of credit with which I was involved as an applicant was the Trust. So on that issue you need to contact the Trust. I was not involved in the renewal or extension of any letter which expired last August 2015. If one of my entities was used illegally you had best address that issue. 2) under the Agreement, in addition to be responsible for providing the guaranty for the letters of credit the Trust also had the responsibility to fund all the reaming infrastructure improvements required by the City of Spring Hill to finish the Development, and 3) the Trust received 90% of all the lot sales proceeds and the remaining unsold lots were transferred to the Trust; and in addition, you may wish to verify the fact that the Trust holds \$60,000 of funds escrowed from lot sales and given to the Trust by SHPLP specifically for street paving.

Taylor K. Spadafora



APRIL 29, 2016

CITY OF SPRING HILL, TENNESSEE
199 TOWN CENTER PARKWAY
SPRING HILL, TN 37174
ATTN: BEAU HERRING

RE: OUR LETTER OF CREDIT NO. S500539
IN THE AMOUNT OF 18,022.00 USD

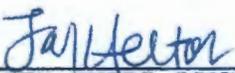
TO WHOM IT MAY CONCERN,

AS PER LETTER OF CREDIT TERMS, PLEASE CONSIDER THIS LETTER AS OUR NOTIFICATION THAT WE DO NOT INTEND TO EXTEND THE ABOVE REFERENCED LETTER OF CREDIT BEYOND THE CURRENT EXPIRY DATE OF AUGUST 17, 2016.

AT THAT TIME, THE LETTER OF CREDIT WILL EXPIRE AND OUR LIABILITY WILL CEASE.

IF YOU HAVE ANY QUESTIONS, DO NOT HESITATE TO CONTACT US.

REGARDS,



FIFTH THIRD BANK
TRADE SERVICES
PHONE: 800-662-3914

CC:
SPRING HILL PLACE LAND PARTNERS,
LIMITED PARTNERSHIP
810 CURTISWOOD LANE
NASHVILLE, TN 37204



APRIL 29, 2016

CITY OF SPRING HILL, TENNESSEE
199 TOWN CENTER PARKWAY
SPRING HILL, TN 37174
ATTN: BEAU HERRING

RE: OUR LETTER OF CREDIT NO. S500541
IN THE AMOUNT OF 31,250.00 USD

TO WHOM IT MAY CONCERN,

AS PER LETTER OF CREDIT TERMS, PLEASE CONSIDER THIS LETTER AS OUR NOTIFICATION THAT WE DO NOT INTEND TO EXTEND THE ABOVE REFERENCED LETTER OF CREDIT BEYOND THE CURRENT EXPIRY DATE OF AUGUST 17, 2016.

AT THAT TIME, THE LETTER OF CREDIT WILL EXPIRE AND OUR LIABILITY WILL CEASE.

IF YOU HAVE ANY QUESTIONS, DO NOT HESITATE TO CONTACT US.

REGARDS,

FIFTH THIRD BANK
TRADE SERVICES
PHONE: 800-662-3914

CC:
SPRING HILL PLACE LAND PARTNERS,
LIMITED PARTNERSHIP
810 CURTISWOOD LANE
NASHVILLE, TN 37204



HUNTLY GORDON
A PROFESSIONAL LIMITED LIABILITY CORPORATION
ATTORNEY AT LAW

May 16, 2016

Missy Stahl, CMFO - Project Management
City of Spring Hill
Post Office Box 789
Spring Hill, TN 37174

Re: Spring Hill Place
Section 6, Plat Book P42, Page 74 Register's Office of Williamson County
Section 7, Plat Book P45, Page 34 Register's Office of Williamson County
Section 9, Plat Book P51, Page 147 Register's Office of Williamson County

Dear Ms. Stahl:

As we discussed, my client, Spring Hill Place Homeowners Association, Inc. by and through its Board of Directors has instructed me to pursue pavement of the unfinished roadways in the aforementioned sections of the neighborhood. It is our understanding that the City of Spring Hill requires final topcoat paving of subdivision sections once they are over eighty percent (80%) complete.

Section Six (6) contains thirty-seven (37) lots and all lots are built upon except lots 183, 184 and 185 making it over the requisite paving threshold. Please find attached the recorded plat of this section and provide for the top coating to be timely installed.

Section Seven (7) contains twenty-nine (29) lots and all lots are built upon except lots 149, 154, 163, 174 and 181 making it over the requisite paving threshold. Please find attached the recorded plat of this section and provide for the top coating to be timely installed.

Section Nine (9) contains twenty-eight (28) lots and all lots are built upon except lots 225, 229 and 230 making it over the requisite paving threshold. Please find attached the recorded plat of this section and provide for the top coating to be timely installed.

The residents of Spring Hill Place neighborhood have been awaiting the final pavement of these sections for several years and are requesting the City of Spring Hill intervene on its behalf to complete these public street improvements for the public safety and welfare of its citizens.



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MAY 16, 2016

If you need additional information or would like to discuss this matter further please telephone the number below or email huntly@huntlygordon.com . Thank you for your timely attention to this matter.

Cordially yours,

ELECTRONICALLY SIGNED

/S/ HUNTLY GORDON

HUNTLY GORDON
(615) 302-0100